SB

62

SFIN

FILE

REPORTED OUT
JAN 25 2005
SENATE FINANCE COMMITTEE

SENATE FINANCE COMMITTEE REPORT
First Committee of Referral

DATE: 1/18/05

FURTHER:

Date of 5-Day Notice:_____
(in accordance with Uniform Rule 23)

DATE TURNED IN TO OFFICE: 25 Jan 2005

Finance Committee considered SENATE BILL NO. 62

SB 62 APPROP: DIVISION OF ELECTIONS

"An Act making a supplemental appropriation for increased operating costs of the division of elections; and providing for an effective date."

and recommends:

[ ] be **replaced** with _____ CS _____ (_____)

[ ] adopt **previous** _____ CS _____ (_____)

[ ] attached amendment(s)

[ ] adopt Letter of Intent by _____ Committee

[ ] further referral to _____ Committee

Senate Bill:
[ ] Same Title
[ ] New Title

House Bill:
[ ] Same Title
[ ] Technical Title Change
[ ] New Title w/ SCR #_____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Ind.	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Ind.	Zero	FN#

[✓] **APPROPRIATION - no fiscal note**

SIGNATURES AND RECOMMENDATIONS:	DO PASS	DO NOT PASS	NO REC	AMEND
	✓			
			✓	
			✓	
	✓			
	✓			
COCHAIR:	✓			
COCHAIR:	✓			

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Juneau, Alaska 99811-0017
907.465.4611 907.465.3203 FAX
elections@gov.state.ak.us

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STATE OF ALASKA
Division of Elections
Office of the Lieutenant Governor

TO: Senator Gary Wilken, Co-Chair
Senator Lyda Green, Co-Chair
Senate Finance Committee

FROM: Laura A. Glaiser
Director, Division of Elections

DATE: January 24, 2005

SUBJECT: Senate Bill 62 – Elections' 2005 Supplemental Request

Attached is "back up" material related to the Division's Supplemental request for FY '05 budget. As you read in the Governor's transmittal letter, the Division is expected to run out of money by the end of February 2005. Below I have highlighted some of the unanticipated/excessive costs in the 2004 election cycle.

Temporary Hire costs in excess of 2002 election cycle costs	304.0	
Court-ordered Ballot Re-printing costs	243.2	
Ballot printing		203.1
Transportation		35.6
Destruction		4.3
Personal Services		0.2
*Municipality of Anchorage's bond question on General Election ballot	104.6	
**Recounts - District 5 and Statewide conducted simultaneously	39.8	
***Independent Counsel re: Recall	37.6	
Expedited forms and freight charges	22.1	
Mainframe "chargebacks" in excess of 2000 and 2002 election cycles	23.3	
Additional cost for postage related to by-mail absentee	19.0	
Fax Presses	11.7	
TOTAL to date	**805.3**	

***Please see contract with Muni and detail sheet on costs to date**

****$750 and $10,000 respectively were deposited into the General Fund for the District 5 and Statewide recounts**

***** Please see email from Department of Law regarding costs of independent counsel**

Upon request I have included copies of the Division's budget projections through the end of FY 05, an internal memo highlighting some of the Division's costs, a copy of the contract between the Municipality of Anchorage and the State regarding ballot printing, a spreadsheet explaining costs related to including the bond questions on the General Election ballot, and a copy of an email from the Department of Law regarding expenditures related to independent counsel provided to the Division. Detailed "chargeback" costs related to mainframe usage and can be provided to the Committee as well.

Please let me know if you would like to have any additional information available to the Committee.

1/24/2005

FY 2005 DIVISION OF ELECTIONS BUDGET STATUS AS OF JANUARY 24, 2005

FY 04 AR 05-1632-05 ELECTIONS/OPERATIONS	AUTHORIZ*	EXPENDED	OBLIGT'D	BALANCE	REMAINING JANUARY PROJECTED EXPEND	1/31/20005 PROJECTED BALANCE	FEBRUARY PROJECTED EXPEND	2/28/2005 PROJECTED BALANCE	MARCH-JUNE PROJECTED EXPEND	7/31/2005 PROJECTED BALANCE
S** 71000 PERSONAL SERVICES	805,200	642,152	0	163,048	75,356	87,692	132,856	-45,164	573,568	-618,732
S** 72000 TRAVEL	15,400	6,652	0	8,748	1,264	7,484	2,646	4,838	8,923	-4,085
S** 73000 SERVICES	504,600	339,266	187,599	-22,265	2,474	-24,739	13,858	-38,597	66,522	-105,119
S** 74000 COMMODITIES	23,800	8,404	527	14,869	602	14,267	911	13,356	2,920	10,436
S** 75000 CAPITAL OUTLAY	0	0	0	0		0	0	0		0
S** 70000 TOTAL EXPENDITURES	1,349,000	996,474	188,126	164,400	79,696	84,704	150,271	-65,567	651,933	-717,500

Expenditure projections based on FY 2004 actuals less equipment and one-time items.

*Note: $442,800 in HAVA funding in Commodities and Capital Outlay for Voter Verifiable Paper Trail for Optically Scanned Ballots has been deducted from authorized for management reporting purposes. $181,300 in CIP Receipts for Personal Services has also been reduced for management reporting purposes.

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MEMORANDUM

STATE OF ALASKA

Office of the Governor
Division of Elections
Directors Office

TO: Laura A. Glaiser, Director
Division of Elections

DATE: 1/24/05

FROM: Lauri Allred, Admin. Asst. Supervisor
Division of Elections

SUBJECT: Unanticipated and/or Excessive Costs for the 2004 Elections

Below I have highlighted some of the unanticipated and/or excessive costs for the 2004 Elections.

Additional Personal Services costs incurred in 2004 compared to 2002 **$304.0**

During the 2004 election cycle, the Division received and processed 5 initiative petitions, one recall petition and a record number of absentee by-mail applications. This additional workload required the Division to hire an additional 13 temporary workers to process mail, answer phones, process applications and perform data entry. This caused an increase in staff costs and overtime for both temporary and full time employees in 2004 compared to what was incurred in the 2002 elections.

Ballot reprint costs totaled **$243.2**

A Superior Court decision mandated the Division reprint the ballots for the 2004 election. The Division absorbed additional costs for reprinting ballots, expedited freight costs for paper stock and destruction costs for destroying previously printed ballots.

Costs for conducting MOA election **$104.6**

The Municipality of Anchorage requested that the State include two bond questions on the General Election ballot. The Agreement is authorized by article X, section 13 of the Alaska Constitution, AS 36.30.700 – 36.30.790, Anchorage Municipal Code (AMC) 28.10.050, and conforms to legislative intent in Sec. 1, ch. 82 SLA 2000. Additional costs for conducting this election will be collected through the "Bill of Collection" process and added back into the General Fund.

Independent counsel **$ 37.6**

Independent Counsel was sought to provide review and advice related to the Ogan recall petition.

To date costs for conducting a statewide recount **$ 39.8**

In December of 2004 the Division conducted two recounts. One for House District 5 requested by candidate Tim June and a statewide recount that was requested by Alaskan's for Fair Elections. The recount total expenditures exceeded the $750 and $10,000 deposits "respectively" that are required under AS 15.20.450. Deposits for a recount are collected and deposited into the General Fund. The total costs for the recounts were absorbed by the Division.

Mainframe Chargeback costs **$ 23.3**

The rise in absentee by-mail applications and voter registration forms increased the Division's chargeback costs for data entry time on the mainframe.

Expedited forms including freight costs **$ 22.1**

Due to the large number of political mailings of absentee by mail applications to voters, the Division processed a record number of absentee by-mail requests. This unexpected increase required the Division to place last minute orders for additional forms and envelopes needed for mailing ballots.

Increased billing for postage costs **$ 19.0**

The Division's postage costs increased due to higher by-mail turnout.

Fax Press machines **$ 11.7**

In 2004, voter turnout for absentee by-fax increased 100% from the last presidential election in 2000. The Division's existing fax press could not handle the demand. The Division installed an additional 16 phone lines and purchased 2 8-line fax press machines to handle the incoming and outgoing faxes.

Subject: Legal Review/Recall Petition
From: Kathryn Daughhetee <kathryn_daughhetee@law.state.ak.us>
Date: Mon, 24 Jan 2005 09:23:52 -0900
To: lauri_allred@gov.state.ak.us

Ms. Allred,
The Department of Law has incurred expenditures in FY 2005 that total $37,599.22 connected with the legal review of the Ogan recall petition. The expenditures reflect the total amount paid to the law firm of Bankston, Gronning, et al. retained by the Department of Law for purposes of conducting the review. Copies of invoices are available upon request. We are seeking reimbursement for these expenditures and understand they have been included in your supplemental request currently before the legislature.
Thank you,

Kathryn Daughhetee
Director, Administrative Services
State of Alaska, Department of Law
465-3673
Kathryn_Daughhetee@law.state.ak.us

Expenditures for MOA Ballot 2004 General Election

Personnel					
GEMS programming & ballot layout	1 Staff	R21B	10hrs		$ 410.50
Absentee Staff time	2 Temps	R8A	10hrs		$ 260.00
RII Election Supervisor					$ 477.00
Section Total					**$ 1,147.50**
Contractual					
Official, Test, Facsimile Ballots			208,075	0.36	$ 74,907.00
Postage for Absentee by-mail ballots			28,564	0.60	$ 17,138.40
Ballot Transportation			2,357.5lbs	1.45	$ 3,423.67
Ballot Archive & Storage	79boxes	24mo	.29ea pr/mo	0.29	$ 549.84
Ballot Destruction					$
Section Total					**$ 96,018.91**
Supplies					
Archive boxes	79			1.60	$ 126.40
Archive lids	79			1.60	$ 126.40
Tyvek envelopes	800				$ 806.02
Section Total					**$ 1,058.82**
Election Workers					
State Review Board Testing	6 workers	1 day	7hrs ea	14.50hr	$ 609.00
State Review Board Testing	6 workers	3 days	7hrs ea day	14.50hr	$ 1,827.00
Ballot feeders	3 workers	2 days	8hrs ea day	10.00hr	$ 480.00
Ballot openers	6 workers	5 days	8hrs ea day	10.00hr	$ 2,400.00
Additional training	20 workers		30 minutes	9.50hr/ 4.75 1/2hr	$ 95.00
Recount workers (sort out MOA ballots)	20 workers	1/2 day	5hrs ea	10.00hr	$ 1,000.00
Section Total					**$ 6,411.00**

Total **$ 104,636.23**

1/21/05 LAllred

INTERGOVERNMENTAL COOPERATION AGREEMENT FOR THE PURPOSE OF THE STATE OF ALASKA CONDUCTING A SPECIAL MUNICIPAL ELECTION FOR THE MUNICIPALITY OF ANCHORAGE CONCURRENT WITH THE STATE-CONDUCTED NOVEMBER 2, 2004, GENERAL ELECTION

This Intergovernmental Cooperation Agreement (hereafter "Agreement"), is for the purpose of authorizing the State of Alaska (hereafter "State" or "Division of Elections") to conduct a special municipal election, at the request of the Municipality of Anchorage (hereafter "MOA"), for submission to the qualified voters of the MOA certain municipal ballot propositions related to MOA school construction bonds. The special municipal election is to be conducted concurrently with the State-conducted November 2, 2004 general election.

Further, the Agreement provides for the joint exercise of the powers of the State and the MOA to conduct elections. The Agreement is authorized by article X, section 13 of the Alaska Constitution, AS 36.30.700 – 36.30.790, Anchorage Municipal Code (AMC) 28.10.050, and conforms to legislative intent in Sec. 1, ch. 82 SLA 2000.[1]

The consideration for this Agreement is the duties and obligations of the parties set forth below.

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[1] Sec. 1, ch. 82, SLA 2000 reads:

* **Section 1.** The uncodified law of the State of Alaska is amended by adding a new section to read:

INTENT. The division of elections shall facilitate the coordination of local government elections with regular state elections if requested to do so by a local government.

1. **Municipality of Anchorage**

a. The MOA will prepare its ballot language for the special election ballot questions following MOA legal requirements.

b. The MOA shall pay all costs associated with the printing of the municipal election ballot language to be included with the State's general election ballot.

c. The MOA shall pay the State for actual costs and/or proportionate costs associated with the conduct of a municipal special election as set forth in Attachment A to this Agreement, which is incorporated herein.

d. The MOA shall provide for all advertising and notification to Anchorage voters of the municipal bond ballot questions as required under the State election code, AS 15, and the MOA code.

e. The MOA shall be responsible for identifying the qualified voting precincts.

f. The MOA shall defend and hold the State harmless from any claim, suit, or liability arising out of a dispute over the wording of the municipal ballot, or any alleged violation of election procedures caused by the Municipality of Anchorage's negligence.

g. The MOA is responsible for the distribution of final, certified election results concerning the municipal special election ballot questions.

h. The MOA is responsible for obtaining pre-clearance from the U.S. Department of Justice under Section 5 of the Voting Rights Act of the election procedures set forth in this Agreement for the municipal special election.

i. The MOA shall publish a notice of election that designates an office, website, or individual to whom questions concerning the municipal special election ballot can be referred by State employees, and publish the website address, e-mail address(es), address and phone number(s) as applicable.

2. **State of Alaska – Division of Elections**

a. The Division of Elections shall determine ballot quantities and ballot sequence numbers, and provide, as necessary, for the printing and ordering of the municipal special election ballot questions from the State's ballot printer. It will be at the State's option and discretion as to whether the municipal special election ballot questions will be included on the State's general election ballot or be printed on a separate ballot.

b. The Division of Elections boards will disseminate the municipal special election ballots at the Anchorage area polling places on Election Day.

c. The Division of Elections will disseminate the municipal special election ballot in accordance with State absentee ballot procedures to the extent State procedures are consistent with the MOA absentee ballot procedures. The parties agree, however, that AS 15.20.082 and 6 AAC 25.660 do not, as a matter of law, apply to the MOA, and the parties further agree that the

Division of Elections is not required to provide or otherwise make available the MOA's municipal special election ballot at polling places outside of the Anchorage area polling places.

d. The Division of Elections will count ballots using the established State procedures and rules for counting, and will count the municipal special election ballots at the same established times as the State's ballots.

e. The Division of Elections will provide the MOA with a State election calendar and ballot counting schedules.

f. The Division of Elections will provide the MOA with the unofficial preliminary election results through its regular distribution process for the MOA to use at its own discretion. The Division of Elections will also provide the MOA with the final certified elections result.

3. **Miscellaneous**

a. The municipal special election ballots, precinct registers, and all other election related records are the property of, and will remain in the custody of the Division of Elections.

b. All costs associated with any election contest concerning the municipal special election ballot shall be borne by the MOA.

This Agreement is effective on the date the last party signs.

Laura A. Glaiser, Director
Division of Elections
State of Alaska

Dated: September 23, 2004.

Barbara E. Gruenstein
Municipal Clerk
Municipality of Anchorage

Dated: September 23, 2004

Attachment A

The following costs incurred by the State of Alaska in conducting the MOA's municipal special election pursuant to the Agreement shall be reimbursed in full by the MOA:

1. Costs associated with programming and testing of Accu-Vote.

2. Costs associated with printing of the municipal special ballot questions on a separate card, sample ballots, and copies of proposed law required to be available and displayed at each polling place.

3. Shipping costs related to additional ballot (including costs of shipping voted ballots to Juneau for review by State Review Board).

4. Additional postage costs for the State to mail two ballots (if applicable).

5. Costs of additional, temporary staff necessary to handle two ballots, including salary and overtime (ballot loggers, election board members, poll workers, ballot stuffers, etc.).

6. Division staff time related to the MOA special election ballot, including certification and recount costs.

7. Costs related to facsimile teams (for duplication of two ballots instead of one).

FRANK H. MURKOWSKI
GOVERNOR
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STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 14, 2005

The Honorable Ben Stevens
President of the Senate
Alaska State Legislature
State Capitol, Room 111
Juneau, AK 99801-1182

Dear President Stevens:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a separate "fast-track" supplemental appropriation bill for fiscal year 2005 for the Division of Elections in the Office of the Lieutenant Governor.

The bill would appropriate a total of $694,900 from the general fund. The appropriation would cover the costs of circumstances that were not within management's control, such as court-ordered costs, unexpected municipal ballot costs, and unexpected citizen-action generated costs. The Division of Elections faced unusual operating costs due to a number of circumstances, including ballot printing and distribution of the Municipality of Anchorage bond questions, an application for recall of a member of the state Legislature, complying with a court order to reprint the general election ballots, and an unusually high number of requests from voters for absentee and facsimile ballots. Due to these additional costs, it now appears that a total of $694,900 more in general fund money will be needed to meet the state's obligations to administer elections during fiscal year 2005.

The Division of Elections is anticipated to run out of money in late February. Therefore, I request that you put this bill on a "fast track" for final action in February.

Sincerely yours,

COMMITTEE COPY

Frank H. Murkowski
Governor

Enclosure